

Message Text

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PAGE 01 HELSIN 01368 011508Z

ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 ERDA-05 AID-05 CEA-01 CIAE-00 COME-00

EPG-02 DODE-00 FEAE-00 FPC-01 H-01 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-04 OES-07 SP-02

SS-15 STR-04 TRSE-00 ACDA-07 /105 W

-----025000 011511Z /44

O 011445Z JUL 77

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC IMMEDIATE 1585

INFO AMEMBASSY JIDDA IMMEDIATE

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E.O. 11652: N/A

TAGS: ENRG, FI, SA

SUBJECT: FINNISH-SAUDI ARABIAN OIL NEGOTIATIONS

REF: HELSINKI 1357

1. BEGIN SUMMARY. INFORMATION CONVEYED REFTEL WAS SERIOUSLY IN ERROR ON ONE KEY POINT. THE SAUDIS AND FINNS HAVE NOT SIGNED AN AGREEMENT NOR APPARENTLY DID THEY DISCUSS IN MORE THAN GENERAL TERMS THE POSSIBILITY OF EVENTUAL PURCHASE OF CRUDE OIL DIRECTLY FROM SAUDI ARABIA RATHER THAN THROUGH INTERNATIONAL OIL COMPANIES AS AT PRESENT. NESTE OY, THE FINNISH STATE-OWNED JOINT REFINING MONOPOLY, IS VERY EMBARRASSED ABOUT ERRONEOUS PRESS REPORTS ON WHICH OUR CABLE WAS BASED. END SUMMARY.

2. SOURCE IN WESTERN COMPANY ENGAGED IN DISTRIBUTION HERE HAS INFORMED US THAT REPORTS IN SEVERAL NEWSPAPERS OF SIGNATURE OF FINNISH-SAUDI AGREEMENT ACCORDING TO WHICH FINLAND WOULD PURCHASE SAUDI CRUDE FROM SAUDI-OWNED ENTERPRISE RATHER THAN THROUGH SOCAL AND TEXACO ARE

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CONTRARY TO FACT. FOR THE TIME BEING SAUDI CRUDE WILL CONTINUE TO COME FROM INTERNATIONALS. ASKED WHAT THEN SEEMED TO BE THE POINT OF THE NEGOTIATIONS, HE SAID HIS IMPRESSION IS THAT THEY WERE INITIATED BY SAUDIS WHO WERE IN ANY CASE TRAVELING IN NORTHERN EUROPE. THE DISCUSSIONS CONCENTRATED, HE THOUGHT, ON TRADE RELATIONS BETWEEN THE TWO COUNTRIES GENRRALLY.

3. K. H. PENTTI, NESTE'S COMMERCIAL DIRECTOR, CONFIRMED THE PRESS REPORTS WILDLY INACCURATE. HE SAID SAUDIS HAVE NOT FORMED POLICY INTERNALLY ON INTERNATIONAL MARKETING OF CRUDE AND ARE NOT PREPARED TO TAKE POSITION BEFORE 100 PERCENT TAKE-OVER OF ARAMCO IS COMPLETED LATER THIS YEAR. MOREOVER IT IS HIS IMPRESSION THAT A STRONG POSSIBILITY EXISTS THAT THE INTERNATIONALS WILL CONTINUE TO MARKET SAUDI CRUDE AS NOW. NESTE'S PROBLEM IS THAT THE ARAMCO PARTNERS HAVE NOT BEEN IN POSITION TO CONCLUDE LONG-TERM SUPPLY ARRANGEMENTS. SINCE 1973 ARRANGEMENTS HAVE BEEN CONCLUDED FOR ONLY THREE-MONTH PERIODS. NESTE ANXIOUS TO CONTINUE PURCHASE TRADITIONAL SHARE OF SAUDI CRUDE. THEIR INTEREST IS IN LONGER TERM ARRANGEMENTS.

4. PENTTI SAID HE UNCERTAIN WHERE PRESS GOT MISINFORMATION. NEITHER NESTE NOR MFA WAS SOURCE. HE KNOWS HOWEVER THAT A LOWER RANKING ECONOMIST ON THE SAUDI DELEGATION DID GIVE AN INTERVIEW AT WHICH NEITHER NESTE NOR MFA OFFICIALS WERE PRESENT. NESTE IS HIGHLY EMBARRASSED BUT MAY NOT ISSUE PUBLIC DENIAL FOR FEAR OF CREATING FURTHER COMPLICATIONS.

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Message Attributes

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Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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